

By Senator Lee

23-1615-00

1 A bill to be entitled
2 An act relating to agriculture; amending s.
3 570.242, F.S.; redefining the term
4 "agriculturally depressed area"; creating s.
5 570.249, F.S.; creating the Agricultural
6 Emergency Loan Program Review Committee to make
7 recommendations to the Commissioner of
8 Agriculture for granting loans to agricultural
9 producers who have experienced crop losses from
10 a natural disaster; providing criteria for
11 eligible crops, loan applications, loan
12 repayment, and the use of loan funds; providing
13 an effective date.

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15 Be It Enacted by the Legislature of the State of Florida:

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17 Section 1. Subsection (1) of section 570.242, Florida
18 Statutes, is amended to read:

19 570.242 Definitions.--For purposes of this act, the
20 following terms shall have the following meanings:

21 (1) "Agriculturally depressed area" means a rural area
22 which has declining profitability from agricultural
23 enterprises and one or more of the following characteristics:

24 (a) A stable or declining population.

25 (b) A stable or declining real per capita income.

26 (c) A traditional economy based on agriculture or
27 extraction of solid minerals.

28 (d) A low ad valorem tax base.

29 (e) A need for agribusiness and leadership training.

30 (f) Crop losses or economic depression resulting from
31 a natural disaster.

1 Section 2. Section 570.249, Florida Statutes, is
2 created to read:

3 570.249 Agricultural Emergency Loan Program.--

4 (1) AGRICULTURAL EMERGENCY LOAN PROGRAM REVIEW

5 COMMITTEE.--There is created an Agricultural Emergency Loan
6 Program Review Committee consisting of five members appointed
7 by the commissioner for the purpose of making recommendations
8 to the commissioner about granting emergency loans to
9 agricultural producers who have experienced crop losses from a
10 natural disaster. The members shall be appointed based upon
11 the recommendations submitted by each entity represented on
12 the committee and shall include:

13 (a) The commissioner or the commissioner's designee.

14 (b) One representative from the Farm Credit Service.

15 (c) One representative from the Florida Rural
16 Development Committee.

17 (d) One representative from the Florida Farm Bureau
18 Federation.

19 (e) One agricultural economist from the Institute of
20 Food and Agricultural Sciences or from Florida Agricultural
21 and Mechanical University.

22 (2) COMMITTEE DUTIES.--The committee shall:

23 (a) Review each application for an emergency loan that
24 meets the basic program criteria.

25 (b) Make recommendations to the commissioner regarding
26 all aspects of each eligible emergency loan application,
27 including the acceptance or rejection of each application.

28 (c) Prioritize the emergency loan applications
29 recommended for acceptance.

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1 (d) Forward all written comments and recommendations
2 to the commissioner, who shall include them in the annual
3 report of the department.

4 (3) USE OF LOAN FUNDS.--Loan funds may be used to
5 restore or replace essential physical property, such as
6 animals, fences, equipment, structural production facilities,
7 orchard trees; pay all or part of production costs associated
8 with the disaster year; pay essential family living expenses;
9 and restructure farm debts. Funds may be issued as direct
10 loans, or as loan guarantees for up to 90 percent of the total
11 loan, in amounts not less than \$30,000 nor more than \$250,000.
12 Applicants must provide at least 10 percent equity.

13 (4) ELIGIBLE CROPS.--Crops eligible for the emergency
14 loan program include:

15 (a) Crops grown for human consumption;

16 (b) Crops planted and grown for livestock consumption,
17 including, but not limited to, grain, seed, and forage crops;

18 (c) Crops grown for fiber, except for trees; and

19 (d) Speciality crops, such as aquacultural,
20 floricultural, or ornamental nursery crops; Christmas trees;
21 turf for sod; industrial crops; and seed crops used to produce
22 eligible crops.

23 (5) FARMING INFORMATION.--A borrower must keep
24 complete and acceptable farm records and present them as proof
25 of production levels. A borrower must operate in accordance
26 with a farm plan that he or she develops and that is approved
27 by the commissioner. A borrower may be required to participate
28 in a financial management training program and obtain crop
29 insurance.

30 (6) LOAN APPLICATION.--In order to qualify for a loan
31 under this section an applicant must submit an application to

1 the committee within 30 days after the natural disaster occurs
2 or the date the crop damage becomes apparent. An applicant
3 must be a citizen of the United States, a bona fide resident
4 of the state, and, together with the applicant's spouse and
5 their dependents, have a total net worth of less than the
6 \$100,000. The value of any residential homestead owned by the
7 applicant must not be included in determining the applicant's
8 net worth. An applicant must also demonstrate the need for
9 economic assistance, be worthy of credit according to
10 standards established by the commissioner, prove that he or
11 she cannot obtain commercial credit, and demonstrate that he
12 or she has the ability to repay the loan.

13 (7) LOAN SECURITY REQUIREMENTS.--All loans must be
14 fully collateralized. A first lien is required on all property
15 or product acquired, produced, or refinanced with loan funds.
16 The specific type of collateral required may vary depending
17 upon the loan purpose, repayment ability, and the particular
18 circumstances of the applicant.

19 (8) LOAN REPAYMENT.--Repayment of loans for crops,
20 livestock, and non-real-estate losses should normally be
21 repaid within 7 years, or, in special circumstances within 20
22 years. Loans for physical losses to real estate and buildings
23 should normally be repaid within 30 years. Borrowers are
24 expected to return to conventional credit sources when they
25 are financially able. Loans are a temporary source of credit
26 and borrowers must be reviewed periodically to determine
27 whether they can return to conventional credit.

28 Section 3. This act shall take effect July 1, 2000.
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SENATE SUMMARY

Redefines the term "agriculturally depressed area" to include an area economically depressed due to a natural disaster. Creates the Agricultural Emergency Loan Program to grant loans to agricultural producers who have experienced crop losses from a natural disaster.